

VZCZCXRO6805  
PP RUEHGA RUEHHA RUEHQU RUEHVC  
DE RUEHOT #2230/01 3412130  
ZNY CCCCC ZZH  
P 072130Z DEC 07  
FM AMEMBASSY OTTAWA  
TO RUEHC/SECSTATE WASHDC PRIORITY 6999  
INFO RUCNCAN/ALL CANADIAN POSTS COLLECTIVE  
RUCPDO/DEPT OF COMMERCE WASHDC

C O N F I D E N T I A L SECTION 01 OF 02 OTTAWA 002230

SIPDIS

SIPDIS

STATE FOR WHA/CAN AND EEB/TPP/MTA/IPC  
STATE PASS USTR FOR SULLIVAN, MELLE, AND GARDE

E.O. 12958: DECL: 12/05/2017  
TAGS: [ECON](#) [ETRD](#) [KIPR](#) [CA](#)  
SUBJECT: CANADA REPORTEDLY DRAFTING ANTI-COUNTERFEITING  
LEGISLATION

REF: A. OTTAWA 1639  
[1](#)B. OTTAWA 1955

Classified By: Economic Minster Counselor Brian Mohler for Reasons 1.4  
(d)

[1](#)1. (U) Summary: The Government of Canada is reportedly preparing two major pieces of legislation designed to better protect intellectual property rights (IPR). The Government of Canada has confirmed that the first bill, an update to Canada's copyright law (see refs A and B), will be introduced to Parliament on either December 11 or 12. The second piece of legislation is tentatively scheduled for next spring, and will provide new powers and resources to Canadian law enforcement agencies to fight the manufacturing and trafficking of counterfeit goods. End summary.

#### Copyright Legislation

-----

[1](#)2. (SBU) Government contacts have confirmed that Canada will introduce new copyright legislation in Parliament on December 12 or 13. Although the text of the bill cannot be shared or made public until it is introduced, we understand that the legislation will likely implement the WIPO Internet Treaties, propose a "notice and notice" system for Internet Service Providers, and place some limits on the manufacture and sale of anti-circumvention devices. Although the bill's contents are still secret, critics have disparagingly compared the legislation to the U.S. Digital Millennium Copyright Act and complained that the bill will contain strong anti-circumvention provisions. Embassy Ottawa will provide Washington with the text of the bill as soon as it is public.

#### New Enforcement Legislation

-----

[1](#)3. (C) On December 4, the Royal Canadian Mounted Police (RCMP) National Coordinator for Intellectual Property Crime, Andris Zarins (protect) told econoff that the Government of Canada is drafting legislation to provide new financial and manpower resources to combat IP crime. The bill would also grant Canada Border Services Agency (CBSA) officers "ex officio" powers to search for and seize counterfeit goods, according to Zarins. He also stated that the legislation will establish a national IPR crime coordination office. A Privy Council Office analyst said that because this enforcement legislation will contain funding provisions, it cannot be introduced prior to next spring's budget. Zarins, who had been privately critical of other Canadian agencies, support for IPR protection, said that all agencies are cooperating well on this bill, and that it should be introduced in Parliament next February or March.

14. (C) Zarins stated that the enforcement legislation is badly needed because CBSA officers now lack the authority to search specifically for and seize counterfeit goods. If a CBSA officer happens to find counterfeit goods while searching for, say, smuggled contraband, the officer is only able to refer the counterfeit case to the RCMP. Then, if the RCMP wants to pursue a case and has available manpower, it will seize the goods and start a formal investigation. Otherwise, Zarins said, the counterfeit goods will enter Canada. He stated that the RCMP will always seize the counterfeit goods if they present health or safety hazard. Zarins commented that the RCMP currently lacks the resources to act if there is no clear public safety risk. (Comment: Canadian privacy laws also prevent CBSA agents from alerting a rights holder about shipments of counterfeit goods. End comment)

#### Proceeds of Crime

-----

15. (C) Zarins stated that the RCMP is currently working on a Q5. (C) Zarins stated that the RCMP is currently working on a regulatory change to include IP crime in Canada's "Proceeds of Crime Program." Under the program, assets obtained from certain types of criminal activity can be seized and used for crime prevention efforts. Currently, assets stemming from IP crime are excluded from the "Proceeds of Crime Program."

#### IP Crime Conference - June, 2008

-----

16. (U) Last June, the RCMP and Interpol jointly hosted the 2007 International Law Enforcement IP Crime Conference in Niagara Falls. Zarins said that both organizations will be sponsoring the conference again next year in Halifax (June 24

OTTAWA 00002230 002 OF 002

- June 26) and he hopes to expand the number of USG speakers and participants. More information about the conference can be found at [www.ul.com/ace](http://www.ul.com/ace).

Visit our shared North American Partnership blog (Canada & Mexico) at <http://www.intelink.gov/communities/state/nap>

BREESE